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If you have any comments on this draft form, you can submit them to us on our web site. Include the word DRAFT in your response. You may make comments anonymously, or you may include your name and e-mail address or phone number. We will be unable to respond to all comments due to the high volume we receive. However, we will carefully consider each suggestion. So that we can properly consider your comments, please send them to us within 30 days from the date the draft was posted.

Publication 587 Draft Worksheet(s)

This draft worksheet from Publication 587, [Business Use of Your Home], for tax year 2006, is only available on the Internet. Since it is a draft, it is subject to change. If this worksheet is revised, it will be reposted only if there is a change in the computation. When the final version of Publication 587 becomes available, this draft will be removed.

If you are an employee or a partner, or you file Schedule F (Form 1040), Profit or Loss From Farming, use this worksheet to figure your deduction for the business use of your home.

Comments and suggestions. We welcome your comments about these worksheets.

You can write to us at the following address:

Internal Revenue Service
Individual Forms and Publications Branch
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We respond to many letters by telephone. Therefore, it would be helpful if you would include your daytime phone number, including the area code, in your correspondence.

You can email us at **taxforms@irs.gov*. (The asterisk must be included in the address.) Please put "Publications Comment" on the subject line. Although we cannot respond individually to each email, we do appreciate your feedback and will consider your comments as we revise our tax products.

Worksheet To Figure the Deduction for Business Use of Your Home

Use this worksheet if you file Schedule F (Form 1040) or you are an employee or a partner.

PART 1—Part of Your Home Used for Business:

- | | |
|---|------------|
| 1) Area of home used for business | 1) _____ |
| 2) Total area of home | 2) _____ |
| 3) Percentage of home used for business (divide line 1 by line 2 and show result as percentage) | 3) _____ % |

PART 2—Figure Your Allowable Deduction

- | | | |
|---|---------------------|-----------------------|
| 4) Gross income from business (see instructions) | 4) _____ | |
| | (a) Direct Expenses | (b) Indirect Expenses |
| 5) Casualty losses | 5) _____ | _____ |
| 6) Deductible mortgage interest | 6) _____ | _____ |
| 7) Real estate taxes | 7) _____ | _____ |
| 8) Total of lines 5 through 7 | 8) _____ | _____ |
| 9) Multiply line 8, column (b), by line 3 | 9) _____ | _____ |
| 10) Add line 8, column (a), and line 9 | 10) _____ | _____ |
| 11) Business expenses not from business use of home (see instructions) | 11) _____ | _____ |
| 12) Add lines 10 and 11 | 12) _____ | _____ |
| 13) Deduction limit. Subtract line 12 from line 4 | 13) _____ | _____ |
| 14) Excess mortgage interest | 14) _____ | _____ |
| 15) Insurance | 15) _____ | _____ |
| 16) Rent | 16) _____ | _____ |
| 17) Repairs and maintenance | 17) _____ | _____ |
| 18) Utilities | 18) _____ | _____ |
| 19) Other expenses | 19) _____ | _____ |
| 20) Add lines 14 through 19 | 20) _____ | _____ |
| 21) Multiply line 20, column (b) by line 3 | 21) _____ | _____ |
| 22) Carryover of operating expenses from prior year (see instructions) | 22) _____ | _____ |
| 23) Add line 20, column (a), line 21, and line 22 | 23) _____ | _____ |
| 24) Allowable operating expenses. Enter the smaller of line 13 or line 23 | 24) _____ | _____ |
| 25) Limit on excess casualty losses and depreciation. Subtract line 24 from line 13 | 25) _____ | _____ |
| 26) Excess casualty losses (see instructions) | 26) _____ | _____ |
| 27) Depreciation of your home from line 39 below | 27) _____ | _____ |
| 28) Carryover of excess casualty losses and depreciation from prior year (see instructions) | 28) _____ | _____ |
| 29) Add lines 26 through 28 | 29) _____ | _____ |
| 30) Allowable excess casualty losses and depreciation. Enter the smaller of line 25 or line 29 | 30) _____ | _____ |
| 31) Add lines 10, 24, and 30 | 31) _____ | _____ |
| 32) Casualty losses included on lines 10 and 30 (see instructions) | 32) _____ | _____ |
| 33) Allowable expenses for business use of your home. (Subtract line 32 from line 31.) See instructions for where to enter on your return | 33) _____ | _____ |

PART 3—Depreciation of Your Home

- | | |
|---|-------------|
| 34) Smaller of adjusted basis or fair market value of home (see instructions) | 34) _____ |
| 35) Basis of land | 35) _____ |
| 36) Basis of building (subtract line 35 from line 34) | 36) _____ |
| 37) Business basis of building (multiply line 36 by line 3) | 37) _____ |
| 38) Depreciation percentage (from applicable table or method) | 38) _____ % |
| 39) Depreciation allowable (multiply line 37 by line 38) | 39) _____ |

PART 4—Carryover of Unallowed Expenses to Next Year

- | | |
|--|-----------|
| 40) Operating expenses. Subtract line 24 from line 23. If less than zero, enter -0- | 40) _____ |
| 41) Excess casualty losses and depreciation. Subtract line 30 from line 29. If less than zero, enter -0- | 41) _____ |